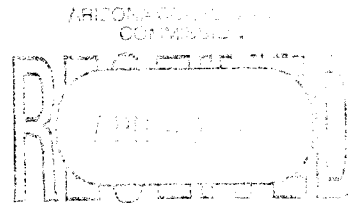


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

E-01032A
CITIZENS COMMUNICATIONS COMPANY-ARIZONA ELECTRIC DIVISIONS
1250 POYDRAS STREET, SUITE 2300
NEW ORLEANS, LA 70113



ANNUAL REPORT

*Internal
4-2-03
C.C.M.
2002
ab updated
C.C.M.*

FOR YEAR ENDING

12	31	2002
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FOR COMMISSION USE

ANN 01	02
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COMPANY INFORMATION

Company Name (Business Name) Arizona Electric, a Division of Citizens Communications Company
(Santa Cruz Electric and Mohave Electric)

Mailing Address 1250 Poydras Street, Suite 2300
(Street)

New Orleans LA 70113
(City) (State) (Zip)

(504) 299-4503 (504) 544-5817
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address Nsanabri@czn.com

Local Office Mailing Address 2498 Airway Avenue
(Street)

Kingman AZ 86401
(City) (State) (Zip)

(928) 681-4101 (928) 681-4115 (928) 715-7234
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address tferry@czn.com

MANAGEMENT INFORMATION

Management Contact: Nolie Sanabria-Rountree Director
(Name) (Title)

1250 Poydras Street, Suite 2300 New Orleans LA 70113
(Street) (City) (State) (Zip)

(504) 299-4503 (504) 544-5817
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address Nsanabri@czn.com

On Site Manager: Thomas Ferry Vice President and General Manager
(Name) (Title)

2498 Airway Avenue Kingman AZ 86401
(Street) (City) (State) (Zip)

(928) 681-4101 (928) 681-4115 (928) 715-7234
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Email Address tferry@czn.com

Statutory Agent:		<u>C T Corporation System</u>	
		<small>(NAME)</small>	
<u>3225 N Central Ave.</u>	<u>Phoenix</u>	<u>AZ</u>	<u>85012</u>
<small>(Street)</small>	<small>(City)</small>	<small>(State)</small>	<small>(Zip)</small>
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Attorney:		<u>L. Russell Mitten, SVP, Gen Counsel & Asst Sec.</u>	
		<small>(NAME)</small>	
<u>3 High Ridge Park</u>	<u>Stamford</u>	<u>CT</u>	<u>06905</u>
<small>(Street)</small>	<small>(City)</small>	<small>(State)</small>	<small>(Zip)</small>
<u>(203) 614-5047</u>	<u>(203) 614-4651</u>	<u>(800) 946-4645</u>	
<small>Telephone No. (Include Area Code)</small>	<small>Fax No. (Include Area Code)</small>	<small>Pager/Cell No. (Include Area Code)</small>	

OWNERSHIP INFORMATION

Check the following box that applies to your company:

<input type="checkbox"/> Sole Proprietor (S)	<input type="checkbox"/> C Corporation (C) (Other than Association/Co-op)
<input type="checkbox"/> Partnership (P)	<input type="checkbox"/> Subchapter S Corporation (Z)
<input type="checkbox"/> Bankruptcy (B)	<input type="checkbox"/> Association/Co op (A)
<input type="checkbox"/> Receivership (R)	<input type="checkbox"/> Limited Liability Company
<input checked="" type="checkbox"/> Other (Describe) <u>a division of Citizens Communications Company</u>	

COUNTIES SERVED

Check the following box that applies to your company:

<input type="checkbox"/> APACHE	<input type="checkbox"/> COCHISE	<input type="checkbox"/> COCONINO
<input type="checkbox"/> GILA	<input type="checkbox"/> GRAHAM	<input type="checkbox"/> GREENLEE
<input type="checkbox"/> LA PAZ	<input type="checkbox"/> MARICOPA	<input checked="" type="checkbox"/> MOHAVE
<input type="checkbox"/> NAVAJO	<input type="checkbox"/> PIMA	<input type="checkbox"/> PINAL
<input checked="" type="checkbox"/> SANTA CRUZ	<input type="checkbox"/> YAVAPAI	<input type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

SERVICES AUTHORIZED TO PROVIDE

Check the following box's for the services that you are authorized to provide:

☒ Electric

- ☒ Investor Owned Electric
- ☐ Rural Electric Cooperative
- ☐ Electric Service Provider
- ☐ Transmission Service Provider
- ☐ Utility Distribution Company
- ☐ Meter Service Provider
- ☐ Meter Reading Service Provider
- ☐ Billing and Collection
- ☐ Ancillary Services

☐ Telecommunications

- ☐ Incumbent Local Exchange Carrier
- ☐ Interexchange Carrier
- ☐ Competitive Local Exchange Carrier
- ☐ Reseller
- ☐ Alternative Operator Service Provide

☐ Gas

- ☐ Natural Gas
- ☐ Propane

☐ Other (Specify) _____

STATISTICAL INFORMATION

TELECOMMUNICATION UTILITIES ONLY

Total residential access lines	NA _____
Total business access lines	_____
Total revenue from Arizona operations	\$ _____
Total income from Arizona operations	\$ _____
Value of assets used to serve Arizona customers	\$ _____
Accumulated depreciation associated with those assets	\$ _____

STATISTICAL INFORMATION (CONT'D)

ELECTRIC UTILITY PROVIDERS ONLY

Total number of customers	<u>77,818</u>	
Residential	65,984	
Commercial	8,546	
Industrial	23	
Public street and highway lighting	3,233	
Irrigation	27	
Resale	5	
 Total kilowatt-hours sold	 <u>1,323,612,000</u>	 kWh
Residential	639,559,000	
Commercial	387,074,000	
Industrial	76,891,000	
Public street and highway lighting	119,935,000	
Irrigation	516,000	
Resale	99,637,000	
 Maximum Peak Load	 <u>327</u>	 MW

GAS UTILITIES ONLY

Total number of customers	<u>NA</u>	
Residential		
Commercial		
Industrial		
Irrigation		
Resale		
 Total therms sold	 <u> </u>	 therms
Residential		
Commercial		
Industrial		
Irrigation		
Resale		

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION

STATE OF Louisiana

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) - PARISH OF	
Orleans	
NAME (OWNER OR OFFICIAL) TITLE	
Dan McCarthy	President and Chief Operating Officer
COMPANY NAME	
Arizona Electric Division	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
December	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2001 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)
\$ 114,596,786

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 7,901,411
IN SALES TAXES BILLED, OR COLLECTED

**

REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

SIGNATURE OF OWNER OR OFFICIAL

(360) 816-0998

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

51st

DAY OF

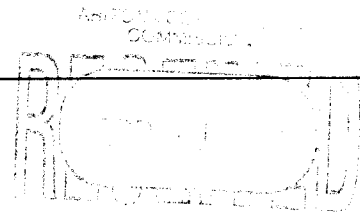
(SEAL)

MY COMMISSION EXPIRES

10/29/04

COUNTY NAME	
CLARK, WA	
MONTH	20 03
SIGNATURE OF NOTARY PUBLIC	
<u>Charles D. Huxit</u>	

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY



STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) - PARISH OF	
Orleans	
NAME (OWNER OR OFFICIAL) TITLE	
Dan McCarthy	President and Chief Operating Officer
COMPANY NAME	
Arizona Electric Division	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
December	31	2002

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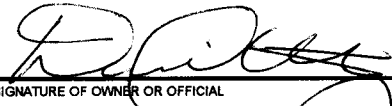
SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2001 WAS:

Arizona IntraState Gross Operating Revenues
\$ 53,184,212

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 3,938,599
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

x 
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

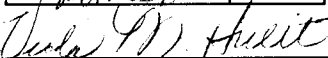
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 31ST DAY OF

(SEAL)

MY COMMISSION EXPIRES

10/20/04

NOTARY PUBLIC NAME	
Vivian M. Huxitt	
COUNTY NAME	
CLARK, WA	
MONTH	YEAR
MARCH	2003

x 
SIGNATURE OF NOTARY PUBLIC

FINANCIAL INFORMATION

Attach to this annual report a copy of the companies' year-end (Calendar Year 2002) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**

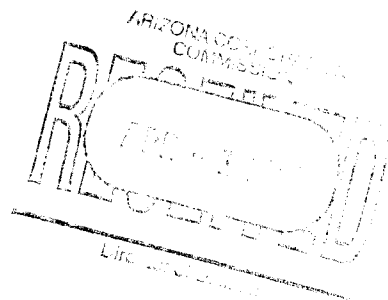
Citizens Communications Company
1250 Poydras Street, Suite 2300
New Orleans, LA 70113
504-299-4503



March 3, 2003

ARIZONA CORPORATION COMMISSION
COMPLIANCE SECTION, UTILITIES DIVISION
1200 WEST WASHINGTON STREET
PHOENIX, AZ. 85007

RE: 2002 UTILITY ANNUAL REPORT
CITIZENS COMMUNICATIONS COMPANY
ARIZONA ELECTRIC DIVISION



Dear Sir or Madam:

Enclosed please find original Utility Annual Report for the Arizona Electric Division including Santa Cruz Electric and Mohave Electric combined. This Annual Report is for the fiscal year ended December 31, 2002.

If any additional information is needed, please do not hesitate to call me.

Very Truly Yours,

Nolie Sanabria-Rountree
Director
Citizens Communications Company

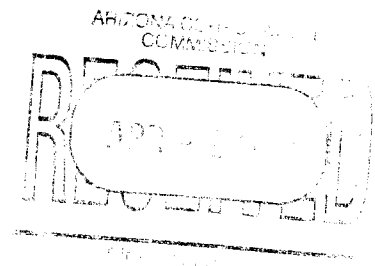
Enclosures

Citizens Communications Company
1450 Poydras Street, 19th Floor
New Orleans, LA 70112
504-299-4503



March 31, 2003

ARIZONA CORPORATION COMMISSION
COMPLIANCE SECTION, UTILITIES DIVISION
1200 WEST WASHINGTON STREET
PHOENIX, AZ. 85007



RE: 2002 UTILITY ANNUAL REPORT
CITIZENS COMMUNICATIONS COMPANY
ARIZONA ELECTRIC DIVISION

Dear Sir,

Enclosed please find original Utility Annual Report for the Arizona Electric Division including Santa Cruz Electric and Mohave Electric combined. This Annual Report is for the fiscal year ended December 31, 2002.

If any additional information is needed, please do not hesitate to call me.

Very Truly Yours,

Jayson Ecuyer
Director
Citizens Communications Company

Enclosures

Citizens Utilities Company
 Mohave Electric to Santa Cruz Electric
 December 31, 2002

December 31, 2002	November 30, 2002	Var	% Var	Assets	December 31, 2001	Var	% Var
300,826,332	299,337,057	1,489,275	0.50%	Plant in Service	291,783,596	9,042,736	3.10%
4,667,492	5,719,389	(1,051,897)	-18.39%	Construction Work in Progress	4,433,048	214,444	4.82%
(113,206,106)	(112,573,497)	(632,609)	0.56%	Accumulated Depreciation	(104,072,919)	(9,133,187)	8.78%
192,287,718	192,482,949	(195,231)	-0.10%	Utility Plant	192,163,725	123,993	0.06%
3,969	5,725	(1,756)	-30.67%	Cash	96,070	(92,101)	-95.87%
0	0	0	0.00%	Notes Receivable	863	(863)	-100.00%
10,363,500	10,096,930	266,570	2.64%	Accounts Receivable	11,397,213	(1,033,713)	-9.07%
(54,533)	(69,898)	15,365	-21.98%	Accum Prov for Uncoil accounts	(489,568)	435,035	-88.86%
1,284,288	1,342,364	(58,075)	-4.33%	Materials and Supplies	1,391,678	(107,389)	-7.72%
43,290	43,290	0	0.00%	Special Deposits	43,290	0	0.00%
48,604	58,554	(9,950)	-16.99%	Prepayments	28,428	20,176	70.97%
11,689,118	11,476,964	212,154	1.85%	Current Assets	12,467,973	(778,855)	-6.25%
1,487,760	1,916,666	(428,906)	-22.38%	Preliminary Survey & Inv.	358,819	1,128,942	314.63%
(295,172,039)	(298,837,461)	3,665,423	-1.23%	Accis Rec - Assoc Companies	(274,258,369)	(20,913,670)	7.63%
127,291,890	125,957,359	1,334,530	1.06%	Misc Deferred Debits	103,748,535	23,543,355	22.69%
4,826,342	4,119,054	707,287	17.17%	Extraordinary Property Losses	3,509,361	1,316,981	37.53%
7,491,030	7,544,391	(53,361)	-0.71%	Accum. Def Income Taxes	7,544,391	(53,361)	-0.71%
(154,075,017)	(159,299,990)	4,880,802	-3.06%	Deferred Dr & Other Assets	(159,097,264)	5,022,247	-3.16%
49,901,819	44,659,923	4,897,725	10.97%	Total Assets	45,534,434	4,367,385	9.59%
0	0	0	0.00%	Stockholders Equity	0	0	0.00%
(2,406,569)	(4,500,672)	2,094,102	-46.53%	Current Year Net Income	(359,821)	(2,046,749)	568.82%
(2,406,569)	(4,500,672)	2,094,102	-46.53%	Stockholder's Equity	(359,821)	(2,046,749)	568.82%
(9,995,227)	(5,939,236)	(4,035,990)	68.29%	Accounts Payable	(13,242,076)	3,246,850	-24.52%
(2,466,092)	(2,411,183)	(54,910)	2.28%	Customer Deposits	(2,429,609)	(36,484)	1.50%
(3,120,988)	(5,616,813)	2,495,825	-44.43%	Taxes Accrued	(2,871,261)	(249,727)	8.70%
(16,348)	0	(16,348)	0.00%	Tax Collections Payable	(82,647)	66,299	-80.22%
(22,774)	(131,485)	108,711	-82.68%	Interest Accrued	(488,504)	465,730	-95.34%
0	(9,622)	9,622	-100.00%	Misc Current & Acct Liab.	0	0	0.00%
(15,621,429)	(14,108,339)	(1,513,090)	10.72%	Current Liabilities	(19,114,096)	3,492,668	-18.27%
(16,138,244)	(16,068,120)	(70,123)	0.44%	Customer Advances for Const	(15,553,707)	(584,536)	3.76%
(15,342,531)	(9,912,543)	(5,429,988)	54.78%	Accum. Deferred Income Taxes	(9,912,543)	(5,429,988)	54.78%
(393,046)	(414,420)	21,374	-5.16%	Accum Deferred Investmt Tax Cr	(594,266)	201,220	-33.86%
0	0	0	0.00%	Notes Payable to Assoc Co's	0	0	0.00%
0	0	0	0.00%	Contrib in aid of Construction	0	0	0.00%
(31,873,821)	(26,395,083)	(5,478,738)	20.76%	Total Long Term Liabilities	(26,060,516)	(5,813,304)	22.31%
(49,901,819)	(45,004,094)	(4,897,725)	10.88%	Total Liabilities	(45,534,434)	(4,367,385)	9.59%

Citizens Utilities Company and Subsidiaries
 Regulatory Income Statement for Mohave Electric to Santa Cruz Electric
 For the Period Ending December 31, 2002

January - December	Total Revenues	
-106,695,375.77	**	Total Revenue
84,545,839.96	**	Operations Expense
1,966,881.44	**	Maintenance Expenses
86,512,721.40	***	Total O & M Expense
12,544,419.45	**	Depreciation
4,983,586.00	**	Taxes Other Than Income
-2,654,648.92	***	Net Operating Income
-886,145.37	**	Misc Nonoperating Income
146,773.77	**	Other Income Deductions
-739,371.60	***	Other Income and Deductions
-491,807.97	**	Interest Expense
3,885,828.49	****	Income before Income Taxes
1,435,599.42	**	Income Taxes
-2,450,229.07	*****	Net Income
2,450,229.13	**	Reg func not included in row blo
-0.06	*****	Net Income after check